



**TO:** Mayor & Council Members

**FROM:** Margaret Shaw, Director, Neighborhood Housing & Community Development  
David Lurie, Director, Health & Human Services  
Greg Canally, Deputy Chief Financial Officer

**DATE:** May 8<sup>th</sup>, 2009

**SUBJECT:** Recommendation for Allocation of \$5.1 million in HUD ARRA Funding

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As part of the American Recovery & Reinvestment Act of 2009, the City of Austin received \$5 million in formula-allocated funding from the US Department of Housing & Urban Development (HUD):

- \$2.0 million in Community Development Block Grants (CDBG-R)
- \$3.1 million in Homelessness Prevention & Rapid Re-Housing Program (HPRP) funds

Neighborhood Housing and Community Development (NHCD), the City's lead agency for HUD funding, will administer the CDBG funds. HPRP will be passed through NHCD to the Health and Human Services Department (HHSD) for daily administration consistent with annual HUD funding for homeless services. As was outlined in an April 1<sup>st</sup> memo to the City Council, staff has been working through a stakeholder and community input process to help determine a final recommendation of how to allocate these funds. On the May 14<sup>th</sup> Council agenda, there is an item to adopt an amendment to the City's HUD Consolidated and Action Plans, which is necessary to secure this \$5.1 million in funding.

#### Background on HUD-ARRA Process

Shortly after the ARRA passed in February 2009, HUD issued guidance directing communities to follow their locally developed, HUD-mandated Citizen Participation Plan to amend their current HUD Action Plans to accept ARRA funding. Austin's plan requires a City Council public hearing and a written comment period. Formal HPRP regulatory guidelines were released last month and dictated that the application for the \$3.1 million is due to HUD on May 18<sup>th</sup>. CDBG regulations were released on May 5<sup>th</sup> and also require submission by May 18<sup>th</sup> for communities seeking both HPRP and CDBG-Recovery funding.

## Public Processes

Potential projects were gathered via a public comment period that lasted from April 20<sup>th</sup> to May 1<sup>st</sup> – including written comments, a public hearing at City Council on April 23<sup>rd</sup>, and an on-line submission. These efforts were in addition to the annual public process that NHCD conducts on the annual Consolidated Plan. From January 1<sup>st</sup> through March 13<sup>th</sup>, over the course of five public hearings and over ten stakeholder meetings, NHCD gathered input on community priorities to help determine program funding for the Fiscal Years 2009-2014 Consolidated Plan. For the CDBG-R funds, the Community Development Corporation (CDC) expanded local criteria for staff to use in evaluating potential projects eligible for this funding. NHCD also presented information on the CDBG-R to the Urban Renewal Board at their April 20<sup>th</sup> meeting.

HHSD engaged an advisory group of community stakeholders, including the CDC chair, and homeless service providers to finalize its recommendations. The Department has also worked with the CDC on these efforts and presented to City Council's Public Health and Human Services Subcommittee on April 21<sup>st</sup>, 2009.

Staff provided a presentation on these overall efforts at the April 23<sup>rd</sup> Council Meeting, including a detailed list of the criteria that would be used to evaluate potential projects.

Attached please find a summary of comments on both HPRP and CDBG-Recovery received from the public including the April 23<sup>rd</sup> Council public hearing and written comments received on line and from letters between April 20<sup>th</sup> and May 1<sup>st</sup>, 2009.

All Information as it became available has been also been posted at [www.cityofaustin.org/housing](http://www.cityofaustin.org/housing) and/or at [www.cityofaustin.org/stimulus](http://www.cityofaustin.org/stimulus). NHCD also regularly sends electronic mails to a list of hundreds of stakeholders to update them on key departmental activities, including the HUD ARRA funding process.

## **Staff Recommendations**

### Community Development Block Grants (CDBG-R)

NHCD organized a panel of senior interdepartmental representatives to rank the projects/programs submitted for CDBG-R award. Given the high precedent set by these funds nationally, the City will face heightened oversight and monitoring from the Federal government, the public and media. Staff also considered the capacity of potential project partners, leveraging for the project/program, and set minimum award at \$250,000 in order to minimize City administrative burdens and to maximize impact.

Local criteria for award fall into three major categories: (1) sustainable, well-financed, established efforts; (2) yield significant results for the community; and (3) tangible results for the residents, especially low to moderate-income populations and neighborhoods. CDBG-R guidelines issued this past Tuesday set clear overall priorities to “maximize job creation and economic benefit”. Specific direction includes:

- 70 percent of the funding is to benefit low to moderate-income residents

- creating/preserving jobs and promoting economic recovery;
- assisting those most impacted by the recession;
- providing investment to promote economic efficiency;
- transportation, environmental protection or other infrastructure that provides long-term economic benefits;
- energy efficiency/independence;
- minimizing/avoiding reductions in essential services;
- efforts begin swiftly (“shovel ready”); and
- “discrete, stand-alone activities.”

In addition, the federal guidelines include a “Buy America” clause that requires all iron, steel, and manufactured goods used in projects funded by CDBG-Recovery be produced in the United States. This will impact all projects proposed to some degree; staff will work with the successful candidates to ensure compliance.

Using the Federal and local criteria, staff recommends awarding the \$2.0 million in CDBG-R funds, as follows:

- **\$500,000 for Lifeworks’ East Austin Youth and Family Resource Center** to purchase land to construct a green-building Resource Center at to expand critical workforce, education and mental health services to low-income populations. Significant leverage is included with corporate, public and nonprofit partners, including Capital Idea, Central Texas Literacy Coalition, Austin Community College and Casey Family Programs. The project has secured the majority of funding, and meets job creation and long-term economic development needs. Its operations are sustainable through key partnerships.
- **\$750,000 for PeopleFund’s Center for Economic Opportunity** will be a LEED Silver certified building that will provide comprehensive services for local businesses and homebuyers. In addition, affordable office space for to local businesses will be incorporated. Key criteria met are job creation/preservation, long-term economic development, and sustainable operations with most project financing secured.
- **\$500,000 for African-American Cultural and Heritage Facility**, located at 912 East 11th Street in the historic Hamilton-Dietrich House, will house ProArts Collective, a Visitors Bureau, and the Capital City Chamber of Commerce. Providing arts and assistance for small businesses while educating visitors on the cultural richness of the area is a community and Council priority project, with \$1.5 million included in the 2006 Bond election. The job creation through construction and tourism and long-term economic benefits of the project will continue the revitalization of the East 11 and 12<sup>th</sup> Street corridors. These CDBG-R funds would allow for the full funding necessary to complete this project and incorporate green building practices. At their April 20th meeting; the URB discussed their support for securing additional funding for the proposed African-American Cultural and Heritage Facility on East 11th Street, and the African American Resource Advisory Commission has encouraged the City to identify additional funds for the project.

- **\$250,000 to fund critical new sidewalks in central East Austin.** Many of the “Top 25” sidewalks on Public Works’ list developed with community input are in historically disadvantaged neighborhoods of central East Austin. This funding will allow new sidewalks in these key areas to be completed. While a 1982 city ordinance encourages annually-awarded CDBG funds to be used only for community development activities, these one-time CDBG-R funds are well suited for these sidewalk projects, since they are an essential component of public transit, which is used primarily by low to moderate-income Austin residents. These projects will enhance the lifestyles of residents, including health (one of the key components of the prioritization matrix in the Council-adopted sidewalk master plan), while ensuring the safety of pedestrians and people with disabilities.

These proposals represent the projects that most closely align with the Federal and local criteria, notably job creation/economic benefit and “shovel ready.” There were other compelling proposals, some of which are eligible for other funding. Repair of homes of the very low-income residents is a high priority. As part of the upcoming Consolidated Plan, NHCD staff will propose for the FY 2009-10 budget that \$2 million in General Obligation bond funds be targeted for emergency home repairs and architectural barrier removal, *in addition to* the millions traditionally budgeted on an annual basis. Using bond funds for emergency home repairs is preferable, because they are a more flexible funding source than these CDBG-R funds. Another compelling proposal was for rental assistance, which has an increased demand as a result of the current economic conditions. Through the HPRP funds, assistance will be provided to families and others facing homelessness (see below).

#### Homeless Prevention & Rapid Re-housing Program (HPRP)

HPRP has three primary goals:

**Prevention:** Prevent people from becoming homeless whenever possible

**Diversion:** Intervene when people enter shelters and divert them into housing

**Rapid Re-Housing:** Move people who become homeless into permanent housing as quickly as possible

The City of Austin’s goal is to expend 100% of the \$3.1 million within 2 years, ahead of the Federal schedule, in the following areas:

- **\$480,000 for HPRP Specialists**  
To identify, assess and qualify potential clients and to expand outreach to key eligible populations
- **\$240,000 for Housing Locators/Inspectors**  
To identify and inspect available housing; negotiate with landlords; liaison between landlords and potential eligible tenants; and follow-up point of contact for landlords and tenants
- **\$120,000 for Mediation/Legal Services**  
To expand current tenant/landlord mediation services and to provide services to all HPRP clients

- **\$1,970,000 for Rent & Utilities and Other Direct Financial Assistance**  
To provide short or medium term rent assistance to prevent homelessness or to re-house homeless household; replacement of identification, moving expenses, credit reports/credit repair, immediate legal assistance
- **\$102,000 for Homeless Management Information System**
- **\$153,000 for Administration**

These services will be provided by agencies currently under contract with the City and/or new agencies that respond to RFPs. This effort must be completed by September, in order to be obligated by September 30<sup>th</sup>.

#### Next steps

NHCD and HHSD will be presenting these recommendations to the CDC at Tuesday's CDC meeting. The CDC recommendation will be forwarded to the City Council on Wednesday, in advance of Thursday's Council action.

This is an exciting opportunity for Austin in the midst of a National economic slowdown to make significant investments in underserved populations or neighborhoods in Austin. We look forward to bringing these recommendations to you on May 14<sup>th</sup>. Please do not hesitate to contact us if you need further information.

xc: Marc A. Ott, City Manager

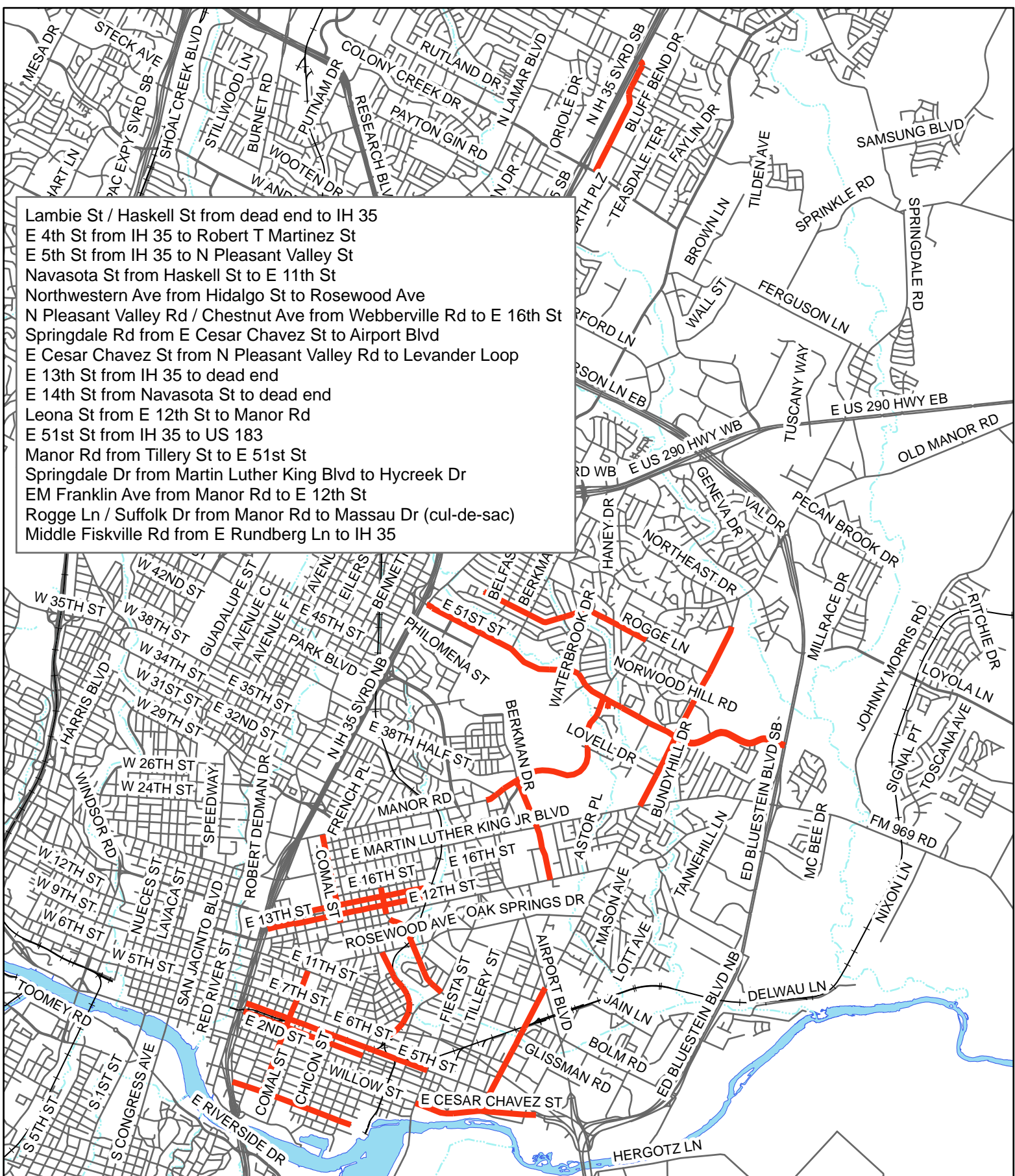
HUD- ARRA Summary of Public Input									
April 20 - May 1, 2009									
Initiative Name	Organization	Initiative Description	Funding Request	Agency Mission Statement (when applicable)	Sponsor/Requestor	CDBG/HRP	Testimony / Comments	Supplemental Materials	
AUSTIN CITY COUNCIL PUBLIC HEARING: APRIL 23, 2009									
East Austin Youth and Family Resource Center	Lifeworks	Funding for land acquisition costs for a resource center and to provide direct client services. Current capital campaign underway.	\$500,000	LifeWorks transitions youth and families from crisis to safety and success.	Eric Boyce, Mitch Weynand, Martha Smiley (Capital Idea), Steve Christoper (Austin Community College)	CDBG	2	handout provided to Council at public hearing	
Center for Economic Opportunity	Peoplefund	Funding towards public facility at MLK TOD called "Center for Economic Opportunity"	*\$750,000 *Amount indicated as capital campaign balance	PeopleFund is a non-profit dedicated to creating economic opportunity through small business loans, affordable housing initiatives and community outreach.	Jaime Noyola	CDBG	1		
African American Cultural Center	n/a	Funding for African American Cultural Center	\$500,000	n/a	Ora Houston, Eleanor Davis Thompson	CDBG	2	African-American Resource Advisory Commission documents	
Home Repair	Austin Habitat for Humanity / Austin Home Repair Coalition	Funding for Housing Rehabilitation	\$200,000-\$400,000 plus funding for administration	Austin Habitat for Humanity builds homes in partnership with families and engages the community to end the cycle of poverty housing.	Jo Ropiak	CDBG	1		
The Willows Housing Development Project	Mary Lee Foundation	Mary Lee Rental Project and Sidewalks	\$800,000	To serve children and adults with special needs so that they may develop a sense of dignity, a feeling of self-worth, and the skills necessary to socially integrate with and contribute to the community in which they live	Nancy Cates	CDBG	1		
Building Compassion Project	Meals on Wheels and More	The Building Compassion: 2 Million Meals In 2020 Project (Building Compassion Project) will enable us to meet the current and future needs of homebound older and/or disabled individuals and impoverished children in Central Texas	\$300,000	Meals on Wheels and More seeks to nourish and enrich the lives of the homebound and other people in need through programs that promote dignity and independent living.	Dan Pruett	CDBG	1		
Rental Housing Development	n/a	Funding for low-income rental housing, housing west of IH-35, increased affordability periods, sidewalks	n/a	n/a	Stuart Hersh	CDBG	1		
Rental Assistance	Refugee Center of Texas	Rental Vouchers for vulnerable populations including refugees	n/a	Working in partnership with faith based communities, businesses and volunteers we provide our clients with resources, referrals, education and guidance to ensure their successful and self-sufficient lives in Texas.	Sofia Casini, Zarni Tun	HRP	2		

Initiative Name	Organization	Initiative Description	Funding Request	Agency Mission Statement (when applicable)	Sponsor/Requestor	CDBG/HRP	Testimony / Comments	Supplemental Materials	
School Stability Project	Families & Children Task Force (FCTF) Implementation Team/ St. John Neighborhood Association	Rental Vouchers for families to reduce school mobility	n/a	n/a	Kathy Tovo (FCTF), Al Lopez (St. John Neighborhood Association)	CDBG/HRP	2	St. John pilot project letter; background FCTF docs	
Services for homeless persons	n/a	Suggested ombudsman for services, funding for legal aid, and more funding for rapid re-housing	n/a	n/a	Kirk Becker	HRP	1		
Home Repair	Austin Area Urban League	Funding for Home Rehabilitation	\$692,000	Empowering communities. Changing lives.	Jeffrey Richard	CDBG	1		
Green Jobs Training Center	American Youthworks	Funding for a workforce training facility in South Austin	\$500,000	Building productive lives and better communities.	Richard Halpin	CDBG	1		
Housing Development	Neighborhood Housing Services of Austin	Capacity building for community housing development organizations	n/a	Extends affordable housing opportunities to low- and moderate-income and disabled persons through constructing, rehabilitating, preserving, and providing decent, safe, and sanitary housing.	Emmitt Hayes	CDBG	1		
Home Repair	AAIM Hands on Housing / Austin Home Repair Coalition	Funding for Home Repair	n/a	AAIM unites faith and cultural communities to foster respect, partnership and transformation in service of the common good.	Tom Spencer	CDBG	1		
Rental Housing Development	Austin Tenants' Council	Counseling and mediation, affordable rental housing west of IH-35	n/a	Protects tenants' rights and educates the community on fair housing. Vision is to make Texas communities open to all without discrimination and free of landlord-tenant disputes.	Katherine Stark	CDBG	1		
School Mobility Initiative/Rental Assistance/Rental Housing Development	Community Partnership for the Homeless	Rental Vouchers for families to reduce school mobility; rental vouchers for vulnerable populations, and rental housing	n/a	Community Partnership for the Homeless' mission is to help end homelessness by providing safe, affordable housing and access to supportive services for those working to achieve independent living.	Christa Noland	CDBG/HRP	1		
Home Repair	HousingWorks	Funding for Home Repair	n/a	Advocate a wide range of housing options so that all Austinites can afford a home that is close to jobs, family, schools, recreation, and places of worship.	Johnny Limon	CDBG	1		
Family Eldercare Program Center	Family Eldercare	Facility at Mueller	\$500,000	Family Eldercare provides essential services for elders, adults with disabilities and those who care for them.	Karen Langley	CDBG	1		
WRITTEN COMMENTS RECEIVED APRIL 20 - MAY 1									
Services for homeless persons	Caritas	Case management services that will assist people experiencing homelessness obtain and sustain permanent housing	n/a	Caritas provides a service continuum for those experiencing poverty that begins with a safety net and links them to resources to achieve self-sufficiency.	Jo Kathryn Quinn	CDBG	1		

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Building Compassion Project	Meals on Wheels and More	The Building Compassion: 2 Million Meals In 2020 Project (Building Compassion Project) will enable us to meet the current and future needs of homebound older and/or disabled individuals and impoverished children in Central Texas	Dan Pruett requested \$300,000 at public hearing	Meals on Wheels and More seeks to nourish and enrich the lives of the homebound and other people in need through programs that promote dignity and independent living.	Andrea Torres	CDBG	65	Proposal	
Rental Housing Development	n/a	Funding for low-income rental housing, housing west of IH-35, increased affordability periods, sidewalks	n/a	n/a	Stuart Hersh	CDBG	1		
The Willows Housing Development Project	Mary Lee Foundation	Located at 1332 Lamar Square Drive, Mary Lee Foundation's 64-unit project known as The Willows is shovel ready but for a final piece of funding. The Willows has an approved site plan permit and needs only \$750,000 of its \$4,500,000 budget to move forward.	\$750,000	To serve children and adults with special needs so that they may develop a sense of dignity, a feeling of self-worth, and the skills necessary to socially integrate with and contribute to the community in which they live	Nancy Cates	CDBG	1	Proposal	
Services for homeless persons and persons with AIDS	AIDS Services of Austin	Utilize a portion of the HPRP funding for housing case management services. Individuals with criminal histories, substance abuse, mental health and/or credit problems will not remain in housing if they are not receiving skill-building, budgeting, and follow-up on referrals to meet basic needs from case managers.	n/a	The mission of AIDS Services of Austin (ASA) is to respond to the HIV needs of the Austin area by providing services that enhance the health and well-being of individuals and the community in the face of an evolving epidemic.	Mathilde Hyams-Flores	HPRP	1		
<b>CDBG ONLINE SURVEY RESULTS RECEIVED APRIL 24 - MAY 1</b>									
Woodland Heights Apartments Family Resource Center	Rainbow Housing Assistance Corporation	This 288 unit low-income affordable housing project offers a fully functioning Family Resource Center directly at the community. This community has partnered with many outside agencies in order to provide these much needed self sufficiency programs.	n/a	To physically rehabilitate apartment developments and preserve safe, affordable housing units, while building thriving communities, and to provide on site service staff and/or collaborate with community based service agencies to create programs that meet the needs of our diverse resident populations.	Jeremy MacMillan-Hilton	CDBG	1		
Community Gardens	n/a	Convert unused green spaces to sustainable gardens for neighborhoods to allow families and households to benefit from shared expertise, create a stronger community identity, and support sustainable agriculture that's accessible to everyone.	n/a	n/a	Elizabeth Haltom	CDBG	1		

Initiative Name	Organization	Initiative Description	Funding Request	Agency Mission Statement (when applicable)	Sponsor/Requestor	CDBG/HRP	Testimony / Comments	Supplemental Materials	
"Affordable space for artists and arts organization"	DA! Theatre Collective	Please use the CDBG funding (HUD funding) for affordable space for artists and arts organizations to live and work.	n/a	DA! is a not-for-profit collective under the sponsorship of Hyde Park Theatre. It contributes to the community by producing art (both original and revisited) that is challenging and invigorating, serving as innovators and leaders in our field, raising the level of education in our artistic community, supporting those sectors of the community who are in need by donating a portion of performances to local non-profit organizations and economically less advantaged schools, and paying local artists a decent wage for their work.	Heather Huggins	CDBG	1		
ArtSpace Austin	ArtSpace Austin	Build affordable space for artists and arts organizations to live, work, and make their art. ARTSPACE in Minneapolis helps cities get DCBG funds to do this. Hire them. A hip creative community is key to Austin's economic growth.	n/a	n/a		CDBG	14		
Youth Hostel	Oak Hill Methodist Church	Propose to build a 15 person youth hostel on the east side of I-35 capable of housing visiting students and young foreign travelers inexpensively.	n/a	Oak Hill United Methodist Church, where everyone is a minister, welcomes and encourages all to experience and embody God's unconditional love revealed in Jesus Christ, serving so that the world becomes what God desires.	Jeff DeLargy	CDBG	1		
Austin Creative Incubator	Fantastic Fest; Villa Muse; TXMPA; ACOT	A creative incubator for Austin: a planned, affordable, green live/work environment spanning non-profit arts and for-profit creative industries to enrich and expand our vital creative class. (San Antonio is planning one in an old elementary school.)	n/a	n/a	Paul Alvarado-Dykstra	CDBG	1		
Art Garage	n/a	Build a parking garage to replace surface parking by the Hyatt on Barton Springs - Bottom 2 or 3 floors dedicated to art studios and living space for artists. Parking fees sustain it indefinitely. Solar panels on the roof.	n/a	n/a	Chris Gibson	CDBG	1		
My lousy streets	South Austin Skunkworks	Repave what the contractor didn't	n/a	n/a	Jeffrey Cook	CDBG	1		
Texas Performance Labs	Texas Performance Labs	Texas Performance Labs functions as a producing creative entity, as a business that enables artist to create their own capital through sustainable agriculture, food, living space, and as a provider of producing help for member artists.	n/a	n/a	Alana Macias	CDBG	1		

Initiative Name	Organization	Initiative Description	Funding Request	Agency Mission Statement (when applicable)	Sponsor/Requestor	CDBG/HRP	Testimony / Comments	Supplemental Materials	
Meals on Wheels Building Expansion	Meals on Wheels and More	I strongly urge the city to allocate a generous portion of their federal stimulus money to this clearly-needed mow expansion program to help support the nutritional and other needs of our new clients in the future.	n/a	Meals on Wheels and More seeks to nourish and enrich the lives of the homebound and other people in need through programs that promote dignity and independent living.	Norm Sprott/Chris Long	CDBG	1		
School Stability Project	Families & Children Task Force Implementation Team	This initiative would assist families at risk for moving outside of their children's attendance zone. The assistance would consist not only of financial support but counseling aimed at helping families achieve more stable financial positions.	n/a	n/a	Kathie Tovo	CDBG	1		
Arts & Creative Industry Incubator	n/a	An affordable, planned green live/work community for non-profit arts and for-profit creative industries, to enrich and expand our vital creative class.	n/a	n/a	Heather Kennedy	CDBG	1		
Basketball Court Revitalization	n/a	Fix the surfaces of basketball courts all around Austin. Make sure the backboards are sturdy and hire a small team to ensure they are always clean and always have nets. This would promote physical activity and neighborhood communication.	n/a	n/a	Nicholas Samet	CDBG	1		
City Alive	n/a	Austin desperately needs affordable space for theatre artists and organizations to live, create and present their work. We need shared studio and scenic shops to eliminate waste and support smaller organizations.		n/a	Leilah Stewart	CDBG	1		
Eastside Sustainable Technology Incubator	Tech Ranch Austin	Tech Ranch is working with several major Austin technology companies to launch a Sustainable Technology Incubator. We have identified \$1M in tech donations and mentor support. \$250k would allow us to launch within 90 days.	\$250,000	Pre-seed and seed stage companies that can change the world. Tech Ranch Austin is a community of vibrant tech start-ups surrounded by the people, processes and materials needed to drive business success.	Jonas Lamis	CDBG	1		
East Austin Community Kitchen	GoFarm!	Robin-Hood type restaurant on the East Side.(donation only, can work for food) Completely permacultured community center offers a hand up, not a hand out by teaching people how to grow/cook their own food, and offers great local/organic meal.	n/a	Gofarm! Is an independent, locally owned business based on the East Side of Austin, Texas. We are committed to sustainability, community, and eating real food.	Jessica Ellison	CDBG	1		



# Top Absent Sidewalks

